

Assembly Bill No. 2530

Passed the Assembly August 31, 2010

Chief Clerk of the Assembly

Passed the Senate August 30, 2010

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2010, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 16142, 16142.1, and 51244 of, and to add and repeal Section 51244.3 of, the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 2530, Nielsen. Local government: Williamson Act: contracts.

Existing law, the Williamson Act, authorizes a city or county to enter into 10-year contracts with owners of land devoted to agricultural use, whereby the owners agree to continue using the property for that purpose, and the city or county agrees to value the land accordingly for purposes of property taxation. Existing law sets forth procedures for reimbursing cities and counties for property tax revenues not received as a result of these contracts.

This bill would, beginning January 1, 2011, and until January 1, 2015, authorize a county, in any fiscal year in which payments authorized for reimbursement to a county for lost revenue are less than $\frac{1}{2}$ of the participating county's actual foregone general fund property tax revenue, to revise the term for new contracts and require the assessor to value the property, as specified, based on the new contract. The bill would provide that a landowner may choose to nonrenew and begin the cancellation process. The bill would also provide that any increased revenues generated by properties under a new contract shall be paid to the county.

The people of the State of California do enact as follows:

SECTION 1. Section 16142 of the Government Code is amended to read:

16142. (a) The Secretary of the Resources Agency shall direct the Controller to pay annually out of the funds appropriated by Section 16140, to each eligible county, city, or city and county, the following amounts for each acre of land within its regulatory jurisdiction that is assessed pursuant to Section 423, 423.3, 423.4, or 423.5, or 426 if it was previously assessed under Section 423.4, of the Revenue and Taxation Code:

(1) Five dollars (\$5) for prime agricultural land, as defined in Section 51201.

(2) One dollar (\$1) for all land, other than prime agricultural land, which is devoted to open-space uses of statewide significance, as defined in Section 16143.

(b) The amount per acre in paragraph (1) of subdivision (a) may be increased by the Secretary of the Resources Agency to a figure which would offset any savings due to a more restrictive determination by the secretary as to what land is devoted to open-space use of statewide significance.

(c) The amount per acre in subdivision (a) shall only be paid for 10 years from the date that the land was first assessed pursuant to Section 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code.

(d) Notwithstanding any other provision of law, for the 2008–09 fiscal year and each fiscal year thereafter, the Controller shall reduce, by 10 percent, any payment made pursuant to this section.

(e) (1) Effective January 1, 2011, if the payment pursuant to this section for the previous fiscal year is less than one-half of the participating county's actual foregone general fund property tax revenue, the county may implement subdivision (b) of Section 51244 and Section 51244.3. The implementation of these sections shall be suspended for any subsequent fiscal year in which the payment for the previous fiscal year exceeds one-half of the foregone general fund property tax revenue.

(2) This subdivision shall remain operative only until January 1, 2015.

SEC. 2. Section 16142.1 of the Government Code is amended to read:

16142.1. (a) In lieu of the payments made pursuant to Section 16142, in a county that has adopted farmland security zones pursuant to Section 51296, the Secretary of the Resources Agency shall direct the Controller to pay annually out of the funds appropriated by Section 16140, to each eligible county, city, or city and county, the following amount for each acre of land within its regulatory jurisdiction that is assessed pursuant to Section 423.4 or 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code:

Eight dollars (\$8) for land that is within, or within three miles of the boundaries of the sphere of influence of, each incorporated city.

(b) The amount per acre in subdivision (a) shall only be paid for 10 years from the date that the land was first assessed pursuant to Section 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code. The appropriation authorized by this subdivision shall not exceed one hundred thousand dollars (\$100,000) per year until 2005.

(c) Notwithstanding any other provision of law, for the 2008–09 fiscal year and each fiscal year thereafter, the Controller shall reduce, by 10 percent, any payments made pursuant to this section.

(d) (1) Effective January 1, 2011, if the payment pursuant to this section for the previous fiscal year is less than one-half of the participating county's actual foregone general fund property tax revenue, the county may implement subdivision (b) of Section 51244 and Section 51244.3. The implementation of these sections shall be suspended for any subsequent fiscal year in which the payment for the previous fiscal year exceeds one-half of the foregone general fund property tax revenue.

(2) This subdivision shall remain operative only until January 1, 2015.

SEC. 3. Section 51244 of the Government Code is amended to read:

51244. (a) Each contract shall be for an initial term of no less than 10 years. Each contract shall provide that on the anniversary date of the contract or such other annual date as specified by the contract a year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in Section 51245.

(b) (1) If the county makes a determination pursuant to subdivision (e) of Section 16142 or subdivision (d) of Section 16142.1, contracts shall be for a term of no less than nine years for contracts currently 10 years in length or 18 years for contracts currently 20 years in length, as the case may be. For new contracts entered into during a year in which this subdivision is in effect, the initial contract length shall be either nine or 18 years. Each contract shall provide, except in the initial year of the determination, that on the anniversary date of the contract or such other annual date as specified by the contract, a year shall be added

automatically to the initial term unless notice of nonrenewal is given as provided in Section 51245.

In any year in which increased revenue pursuant to Section 51244.3 does not occur, two additional years shall be added to the contract on the next anniversary date to restore the contract to its full 10-year or 20-year contract length.

(2) In any year in which this subdivision is implemented, the county shall record a notice that states the affected parcel number or numbers.

(3) The assessor shall value the property, consistent with the restrictions on the property, based on either a nine-year or 18-year contract term as the case may be based on the original contract term. The additional amount of tax revenue that results from the decrease in restriction shall be separately displayed on the taxpayer's annual bill.

(4) A landowner may elect to serve notice of nonrenewal instead of accepting a nine-year or 18-year contract, as the case may be. In that case, the assessor shall not revalue the property as provided for in paragraph (3).

(5) In addition to any other notice requirements, a county shall provide a landowner under contract timely written notice of all of the following:

(A) Any hearing by the county on a proposal to adopt or rescind the implementation of this section.

(B) Any final decision regarding the adoption or rescission of implementation of this section.

(C) The landowner's right to prevent the amendment of his or her contract pursuant to this section by serving notice of nonrenewal as specified by Section 51245. A county shall not modify or revalue a landowner's contract pursuant to this subdivision unless the landowner is given at least 90 days notice of the opportunity to prevent the modification and revaluation by serving notice of nonrenewal and the landowner fails to serve notice of nonrenewal. A landowner shall be advised of the landowner's right to avoid continued imposition of this subdivision in any future year by serving a notice of nonrenewal for that contract year. Failure of the landowner to serve timely notice of nonrenewal in any year shall be considered implied consent to the implementation of this subdivision for that year.

(6) The increased valuation of the property pursuant to paragraph (3) shall not exceed 10 percent of the difference between the valuation pursuant to Section 423, 423.3, or 423.5 of the Revenue and Taxation Code, and the valuation under Section 110.1 of the Revenue and Taxation Code. If the valuation under Section 110.1 is lower, there shall be no revaluation.

(7) This subdivision shall not apply to any of the following:

- (A) Contracts that have been nonrenewed.
- (B) Contracts with cities.
- (C) Open-space or agricultural easements.
- (D) Scenic restrictions.
- (E) Wildlife habitat contracts.

(8) This subdivision shall remain operative only until January 1, 2015.

SEC. 4. Section 51244.3 is added to the Government Code, to read:

51244.3. (a) This section shall apply to properties under a nine-year or 18-year contract, as the case may be, pursuant to subdivision (b) of Section 51244. Notwithstanding any other provision to the contrary, increased revenues generated by those properties shall be allocated exclusively to the county.

(b) This section shall only apply if the county makes a determination pursuant to either Section 16142 or Section 16142.1.

(c) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

Approved _____, 2010

Governor